

Are SAP Business One Days Numbered?

Part II: Licensing Cost Deep Dive

Heiko Stichel, SAPIT Corporation

At Sapphire, on 12 May 2026, SAP SE unequivocally announced that “SAP’s only strategic ERP code line is S/4HANA Cloud ERP,” while advertising S/4HANA Cloud ERP as for “companies of all sizes” and pitching Business One (B1/SBO) for “small and medium-sized business.” This begs the question: What are the odds of SAP discontinuing B1 in the near future, like they discontinued Business ByDesign in April 2026?

This whitepaper supplements my prior strategic analysis on this topic, published earlier (see comments for a link); the opener “Strategic Context and Timeline Scenario” serves as a summary of that. I will now address licensing costs for B1 (from a customer perspective) and an estimate of the revenue (on the flipside, determining what the software vendor will do in the long run) - aimed at assisting decision makers (CIO, CFO et al) by looking at “hard numbers” for cost of B1 versus SAP S/4HANA Cloud ERP. Benefit comparisons must also flow into the software selection process, and each individual business case is different. I will circle back on strategy in a third publication, planned for release later this month. This whitepaper is an opinion provided completely independent of the software vendor.

Strategic Context and Timeline Scenario

Considering SAP’s strategic messaging at Sapphire (12 May 2026), there appears to be some tension:

Dimension	Business One (B1)	S/4HANA Cloud ERP
<i>Market Positioning</i>	For small to mid-market (SMB)	For companies of all sizes (includes SMB)
<i>Strategic Focus</i>	Maintained with incremental innovation	Strategic centerpiece, heavy R&D investment
<i>Cloud Development</i>	Web client parity by 2027, multi-tenant enhancements	AI agents, embedded generative AI, continuous updates
<i>Pricing Strategy</i>	Still actively sold; no pricelist delisting announced	Aggressive positioning as universal platform
<i>Executive Commitment</i>	"Here to stay" messaging required (which suggests some uncertainty)	Enthusiastic, no defensive posturing needed

In an attempt to estimate what’s going to happen to B1, along with a time line:

3–5 years out (2029–2031): ~30% chance of a pricelist delisting for new customers, as it was the case for ByD. SAP will likely allow new deployments, but shift marketing weight to S/4HANA Cloud ERP.

5–10 years out (2031–2036): ~70% chance Business One enters "extended support" or "customer-specific maintenance" phases, similar to where legacy SAP products live now.

Beyond (2036-): B1 reaches end-of-mainstream support, though SAP will probably offer extended support for legacy users.

The economics – license costs and revenue

SAP, like all software vendors, must (and does) have a business strategy to ensure its on-going success: revenue, profit, shareholder value. They would likely avoid product consolidation and displacement among the SAP code lines, which you could call “code line cannibalism,” as in one SAP code line increasing its market share at the cost of decreasing the market share of another SAP product. Much rather, they would displace competitor products. Then, of course there is the question of why maintain two code lines (Cloud ERP, B1), if one of them is superior? Clearly, Cloud ERP can do everything that B1 can do, but not vice versa. While we cannot look at figures and insights SAP doesn’t provide and don’t want to speculate about data points, we can and will now look at data publicly available and extrapolate.

B1 User Base and Named User Licenses (NUL)

B1 uses a Named User License (NUL) model. Per SAP’s public disclosure, B1 has 1.2 million DAU (daily average users), but they do not disclose how many NUL there are. For B1, there is an on-premise and a cloud version – like there is for S/4HANA. The billing per NUL, as it goes with on-premise and cloud respectively, we will discuss later. So, how many B1 licenses (NUL) correspond to 1.2 million users (DAU)?

NUL is equal to the maximum number of registered users who can access the system. DAU must be a proper subset, because it represents (on average) how many actually log in daily; thus, it takes more than 1.2 million NUL to cover 1.2 million DAU. The exact ratio depends on absenteeism, time off, turnover, part-time users, users who only log in sporadically or for period close. As an estimate, if an organization has 1,000 NUL, you might see about 750 DAU (75% average). This leads to the rough-cut estimate that 1.2 million DAU equate to 1.6 million NUL. Let’s therefore assume B1 has 1.6 million NUL.

B1 ratio of on-premise versus cloud users

Of the total B1 NUL, what is the ratio of on-premise versus cloud users?

According to a source [1]

- In 2020, roughly 75% of new SAP Business One deployments were on-premise.
- By 2026 (we’re in May, not even halfway through), over 65% of new implementations are cloud-based – this is almost a reversal!

Of course, we talked about *new implementations*, but we should be looking at the *entire installed base*. The total installed base is likely still tilted toward on-premise, because

- B1 has been shipping on-premise since 2002 (~24 years of deployments)
- Cloud deployment only became mainstream for B1 in the last 5–7 years
- Customers don't automatically migrate legacy on-premise installations to cloud; they tend to run on-premise until end-of-life or a major upgrade cycle.

The 83,000 companies using B1 currently (2026) likely have a mix close to 60% on-premise, 40% cloud. SAP does not publicly disclose the breakdown of their entire customer base by deployment model, so this is an estimate. I would also assume that smaller installations favor cloud versus larger installations favoring on-premise. Keep in mind, when we talk about on-premise versus cloud, we need to talk about

the companies implementing B1, the *installations*, and *not the NUL*. Under the (challengeable) assumption that the choice of deployment option is independent of the size of the installation, we arrive at the estimate that B1 has

- 1 million NUL on-premise (1.6 million x 0.6)
- 0.6 million NUL cloud (1.6 million x 0.4)

The cost to ride

Following is an overview of current (2026) B1 cloud pricing information. [2]

Monthly B1 fee per NUL	Europe EU (EUR)	US (USD)
Professional user	€91	\$95 starting price \$95-\$250 range per source A \$110-\$219 range per source B
Limited user	€47	~\$55-\$65 estimated
Starter package (up to 5 users)	€38	~\$45-\$50 estimated

Notice the pricing oddity: US pricing is quoted in ranges (\$95-\$250/month depending on source and partner), whereas EU pricing is published as fixed (€91 Professional, €47 Limited). This suggests

- Different partner margin structures in the US market
- Currency fluctuation handling or exchange rate differences
- Less standardized pricing in North America

Up until about Fall 2025, SAP has been listing a per-user-price for S/4HANA Cloud ERP, in Europe 350 EUR per month and named user for full access or 250 EUR per month and named user for a reduced license (presumably with a narrow functional scope); in the US, these fees were 350 USD and 250 USD, respectively. They no longer have this information on their website. Before we address and draw conclusions from the fact that SAP has removed S/4HANA Cloud ERP pricing from the public view, let's look at the significant price difference. S/4HANA Cloud ERP per NUL costs about 4-5x of what B1 costs:

Monthly S/4HANA fee per NUL	Europe EU (EUR)	US (USD)
Professional user	€350	\$350
Limited user	€250	\$250

This significant price difference contradicts a narrative that S/4HANA Cloud ERP is being positioned to directly replace B1. Based on pricing alone, B1 appears to serve a different segment. The fact that B1 remains so much cheaper than S/4HANA Cloud ERP actually undercuts the urgency of discontinuation you'd expect if SAP were truly consolidating everything onto a single platform.

Feel free to get in touch for more information and assistance. You can reach us

- *on LinkedIn* <https://www.linkedin.com/company/sapitcorp>
- *via the contact form* <https://sapitcorp.com/contact/>

#BusinessManagement #businessone #cloudcomputing #digitaladoption #digitalstrategy #digitaltransformation #erp #sap #sapactivate #SAPBusinessOne #sapcloud #sapclouderp #saprojectmanagement #saps4hana #saps4hanacloud #SBO #SmallBusiness